



Department of Medical Assistance Services
600 East Broad Street, Suite 1300
Richmond, Virginia 23219

<http://www.dmas.state.va.us>

MEDICAID MEMO

TO: All Hospitals and Managed Care Organizations (MCO) Participating in the Virginia Medical Assistance Program

FROM: Cynthia B. Jones, Director
Department of Medical Assistance Services
(DMAS)

MEMO: Special

DATE: 6/9/2017

SUBJECT: Hospital Reimbursement Payments: Effective July 1, 2017

This memorandum notifies hospitals about reimbursement payments for state fiscal year 2018 (SFY18). Going forward, DMAS will not provide individual rate letters to hospitals; all rates and rate parameters as well as lump sum payment amounts will be posted on the DMAS web site at: <http://www.dmas.virginia.gov/Content/pgs/pr-rsetting.aspx> and will be considered official notification. DMAS will post rates from the last seven (7) years and maintain a log of any updates or revisions during the year.

No Hospital Inflation Adjustment

In accordance with the 2016 Virginia Appropriations Act Item 301.CCC, current year inpatient and outpatient hospital rates for acute care, rehabilitation and freestanding psychiatric hospitals will not receive an inflation adjustment for state fiscal year (SFY) 18 with the following exception, Children's Hospital of the Kings Daughters (CHKD) will receive full inflation for SFY18.

Due to no inflation adjustment, most rates and rate parameters for SFY18 are the same as published for SFY17. Capital percentages for inpatient acute care will be updated to reflect allowable costs from the most recent hospital inpatient cost settlement. Inpatient capital reimbursement will be cost settled for FFS. Rates for the Children's Hospital of the Kings Daughters will be updated for an inflation adjustment of 2.8%. Updated capital percentages and new rates will be posted to the DMAS web site.

Outpatient Reimbursement Budget Neutrality

In accordance with 12VAC30-80-36, DMAS performed a budget neutrality analysis to determine if hospital base rates should be adjusted to reflect target reimbursement under Enhanced Ambulatory Patient Groups (EAPG) reimbursement. The analysis indicated that current reimbursement under EAPG was 0.68% more than it would have been under cost-based reimbursement, which is below the 1% threshold for making an adjustment; therefore, no budget

neutrality adjustment was applied to outpatient hospital base rates. EAPG outpatient hospital base rates are available from the DMAS web site.

Lump Sum Reimbursement: DSH/IME/GME

Payment of the Disproportionate Share Hospital (DSH) adjustment, Indirect Medical Education (IME), and Graduate Medical Education (GME) is separate from inpatient and outpatient claim payments. Payment will be made in quarterly lump sum amounts at the end of each quarter. The payment for the fourth quarter will be made at the beginning of the next state fiscal year. The DMAS rate setting inpatient hospital webpage now includes a Lump Sum Reimbursement section. Lump sum payment amounts will be posted to the DMAS website no later than June 30, 2017 for Type Two hospitals.

DSH

The list of hospitals qualifying for SFY18 DSH payments and their respective annual payment amounts will be available from the DMAS web site. DSH payments are fully prospective amounts determined in advance of the state fiscal year to which they apply and are not subject to revision except for the application of limitations determined at cost settlement. In addition to meeting the 14% Medicaid utilization requirement in the base year (cost reports with FYEs in SFY15), DSH hospitals must also meet the obstetric staff requirements or one of the exceptions. Any DSH hospital that eliminates OB services should notify DMAS promptly.

IME

Prospective IME percentages and the estimated annual IME payments will be available from the DMAS web site. Prospective IME percentages for SFY18 have been calculated using the most recent resident to bed ratios. IME payments will be cost settled based on the hospital's FFS and MCO operating costs.

GME

Estimated GME payments will be available from the DMAS web site. GME costs for interns and residents are reimbursed on a per resident basis. Type One hospitals are reimbursed cost. All teaching hospitals are reimbursed costs for nursing and paramedical education. The annual interim GME payment reflects the most recently available number of interns and residents and includes estimated nursing and paramedical education costs. GME payments for interns and residents will be cost settled based on the actual number of full-time equivalent (FTE) interns and residents as reported on the hospital's annual cost report. GME payments for nursing and paramedical education costs will be cost settled.

Payments for New Primary Care and High-Need Specialty Residents for Underserved Areas

DMAS made 15 awards for new residency payments for 13 primary care and two (2) high need specialty residents beginning in SFY18. Hospitals will receive \$100,000 per new resident per year up to four years in addition to other graduate medical education funding. Hospitals awarded funding for primary care and high-need specialty residencies must certify that they have filled the new residency slots and that they are receiving no Medicare funding. DMAS will also monitor awarded hospitals using the residency information by specialty/subspecialty described below. Payments will be made quarterly following the same schedule for other lump sum payments.

Forms and application information for 10 new residency slots for SFY19 are available on the DMAS Rate Setting website. Applications for the new residencies are due August 1, 2017.

New Annual Reporting of Interns and Residents by Specialty/Subspecialty

In accordance with Item 306.FFFF of the 2016 Virginia Appropriations Act, hospitals that qualify for GME lump sum payments must provide information regarding the number and specialty/subspecialty of interns and residents. GME hospitals will receive a letter specifying the required data elements and formats by June 30, 2017 similar to the reporting GME hospitals make to the Medicare Interns and Residents Information System (IRIS). The initial request will include the 2016-17 academic year and the 2017-18 academic year. This information is in addition to the intern and resident full time equivalent (FTE) information required for the hospital cost report.

For questions regarding hospital reimbursement, please contact Jamaal Alston at 804-371-4767 or e-mail at: Jamaal.alston@dmass.virginia.gov.

ADDITIONAL INFORMATION ON ARTS SERVICES:

http://www.dmass.virginia.gov/Content_Pgs/bh-sud.aspx

MAGELLAN BEHAVIORAL HEALTH OF VIRGINIA (Behavioral Health Services Administrator)

Providers of behavioral health services may check member eligibility, claims status, check status, service limits, and service authorizations by visiting www.MagellanHealth.com/Provider. If you have any questions regarding behavioral health services, service authorization, or enrollment and credentialing as a Medicaid behavioral health service provider please contact Magellan Behavioral Health of Virginia toll free at 1-800-424-4046 or by visiting www.magellanofvirginia.com or submitting questions to VAProviderQuestions@MagellanHealth.com.

MANAGED CARE PROGRAMS

Most Medicaid individuals are enrolled in one of the Department's managed care programs: Medallion 3.0, Commonwealth Coordinated Care (CCC), Commonwealth Coordinated Care Plus (CCC Plus), and Program of All-Inclusive Care for the Elderly (PACE). In order to be reimbursed for services provided to a managed care enrolled individual, providers must follow their respective contract with the managed care plan/PACE provider. The managed care plan/PACE provider may utilize different prior authorization, billing, and reimbursement guidelines than those described for Medicaid fee-for-service individuals. For more information, please contact the individual's managed care plan/PACE provider directly.

Contact information for managed care plans/PACE providers can be found on the DMAS website for each program as follows:

- Medallion 3.0:
http://www.dmass.virginia.gov/Content_pgs/mc-home.aspx
- Commonwealth Coordinated Care (CCC):
http://www.dmass.virginia.gov/Content_pgs/mmfa-isp.aspx

- Commonwealth Coordinated Care Plus (CCC Plus):
http://www.dmas.virginia.gov/Content_pgs/mltss-proinfo.aspx
- Program of All-Inclusive Care for the Elderly (PACE):
http://www.dmas.virginia.gov/Content_atchs/ltc/WEB%20PAGE%20FOR%20PACE%20Sites%20in%20VA.pdf

COMMONWEALTH COORDINATED CARE PLUS

Commonwealth Coordinated Care Plus is a required managed long term services and supports program for individuals who are either 65 or older or meet eligibility requirements due to a disability. The program integrates medical, behavioral health, and long term services and supports into one program and provides care coordination for members. The goal of this coordinated delivery system is to improve access, quality and efficiency. Please visit the website at: http://www.dmas.virginia.gov/Content_pgs/mltss-home.aspx.

VIRGINIA MEDICAID WEB PORTAL

DMAS offers a web-based Internet option to access information regarding Medicaid or FAMIS member eligibility, claims status, payment status, service limits, service authorizations, and electronic copies of remittance advices. Providers must register through the Virginia Medicaid Web Portal in order to access this information. The Virginia Medicaid Web Portal can be accessed by going to: www.virginiamedicaid.dmas.virginia.gov. If you have any questions regarding the Virginia Medicaid Web Portal, please contact the Conduent Government Healthcare Solutions Support Help desk toll free, at 1-866-352-0496 from 8:00 a.m. to 5:00 p.m. Monday through Friday, except holidays. The MediCall audio response system provides similar information and can be accessed by calling 1-800-884-9730 or 1-800-772-9996. Both options are available at no cost to the provider.

KEPRO PROVIDER PORTAL

Providers may access service authorization information including status via KEPRO's Provider Portal at <http://dmas.kepro.com>.

"HELPLINE"

The "HELPLINE" is available to answer questions Monday through Friday from 8:00 a.m. to 5:00 p.m., except on holidays. The "HELPLINE" numbers are:

1-804-786-6273	Richmond area and out-of-state long distance
1-800-552-8627	All other areas (in-state, toll-free long distance)

Please remember that the "HELPLINE" is for provider use only. Please have your Medicaid Provider Identification Number available when you call.

TO ALL MEDICAID PROVIDERS: PROVIDER APPEAL REQUEST FORM NOW AVAILABLE

There is now a form available on the DMAS website to assist providers in filing an appeal with the DMAS Appeals Division. The link to the page is http://www.dmas.virginia.gov/Content_pgs/appeal-home.aspx and the form can be accessed from there by clicking on, "Click here to download a Provider Appeal Request Form." The form is in PDF format and has fillable fields. It can either be filled out online and then printed or downloaded and saved to your business computer. It is designed to save you time and money by assisting you in supplying all of the necessary information to identify your area of concern and the basic facts associated with that concern. Once you complete the form, you can simply print it and attach any supporting documentation you wish, and send to the Appeals Division by means of the United States mail, courier or other hand delivery, facsimile, electronic mail, or electronic submission supported by the Agency.